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SECURITIES AND EXCHANGE COMMISSION
(Release No. 34-71218; File No. SR-CME-2013-24)

Self-Regulatory Organizations; Chicago Mercantile Exchange Inc.; Order Approving Proposed Rule Change Regarding the Designation of a Primary Backup Data Center

I. Introduction

On November 15, 2013, Chicago Mercantile Exchange Inc. (“CME”) filed with the Securities and Exchange Commission (“Commission”) the proposed rule change (SR-CME-2013-24) pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”),¹ and Rule 19b-4 thereunder.² The proposed rule change was published for comment in the Federal Register on November 27, 2013.³ The Commission received no comment letters regarding the proposal. For the reasons discussed below, the Commission is granting approval of the proposed rule change.

II. Description

CME is proposing to activate its New York Data Center (“1NE Data Center”) as its primary backup data center. The 1NE Data Center currently operates in part as a tertiary data center for CME. CME has proposed that the 1NE Data Center will be redesigned and will become the primary backup data center in place of CME’s current backup data center, the Remote Data Center (“RDC”). In addition to housing CME’s New York trading floor and office staff systems, the 1NE Data Center will house CME’s primary back-up for electronic trading, clearing, and regulatory infrastructures. CME has stated that because the 1NE Data Center will

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ Securities Exchange Act Release No. 34-70917 (November 21, 2013), 78 FR 71015 (November 27, 2013).

be located in a distinct geographic area from CME's primary facility, the proposal to relocate the primary backup data facility will mitigate risks associated with a large scale disruption associated with only one geographical area (for example, a weather event). Because the 1NE Data Center will feature single IP connectivity, CME's customers will not have to change their configurations or take any additional steps to connect to the 1NE Data Center and the risk of disruptions in connectivity will be decreased.

CME has stated that the proposal will help to ensure that CME has sufficient physical, technological and personnel resources to enable the timely recovery and resumption of operations following disruptions, resulting in an increase in reliability and security of its backup data facilities. The proposed change does not involve any changes to CME's rulebook.

III. Discussion and Commission Findings

Section 19(b)(2)(C) of the Act⁴ directs the Commission to approve a proposed rule change of a self-regulatory organization if the Commission finds that such proposed rule change is consistent with the requirements of the Act⁵ and the rules and regulations thereunder applicable to such self-regulatory organization. Section 17A(b)(3)(F) of the Act⁶ requires, among other things, that the rules of a clearing agency are designed to promote the prompt and accurate clearance and settlement of securities transactions and, to the extent applicable, derivative agreements, contracts, and transactions, to assure the safeguarding of securities and funds which are in the custody or control of the clearing agency and for which it is responsible and, in general, to protect investors and the public interest. The Commission finds that the

⁴ 15 U.S.C. 78s(b)(2)(C).

⁵ 15 U.S.C. 78s(b)(1).

⁶ 15 U.S.C. 78q-1(b)(3)(F).

proposed rule change is designed to enhance CME's business continuity program and data reliability and security and thereby (1) promote the prompt and accurate clearance and settlement of securities transactions and, to the extent applicable, derivatives agreements, contracts, and transactions; (2) help to assure the safeguarding of securities and funds which are in the custody or control of CME; and (3) help to protect investors and the public interest, consistent with the requirements of Section 17A(b)(3)(F) of the Act.⁷

⁷ 15 U.S.C. 78q-1(b)(3)(F).

IV. Conclusion

On the basis of the foregoing, the Commission finds that the proposal is consistent with the requirements of the Act and in particular with the requirements of Section 17A of the Act⁸ and the rules and regulations thereunder.

IT IS THEREFORE ORDERED, pursuant to Section 19(b)(2) of the Act,⁹ that the proposed rule change (File No. SR-CME-2013-24) be, and hereby is, approved.¹⁰

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.¹¹

Elizabeth M. Murphy
Secretary

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⁸ 15 U.S.C. 78q-1.

⁹ 15 U.S.C. 78s(b)(2).

¹⁰ In approving the proposed rule change, the Commission considered the proposal's impact on efficiency, competition and capital formation. 15 U.S.C. 78c(f).

¹¹ 17 CFR 200.30-3(a)(12).